

HIGH COURT OF AUSTRALIA

GLEESON CJ,
McHUGH, GUMMOW, HAYNE AND HEYDON JJ

LOCKWOOD SECURITY PRODUCTS PTY LTD

APPELLANT

AND

DORIC PRODUCTS PTY LTD

RESPONDENT

Lockwood Security Products Pty Ltd v Doric Products Pty Ltd
[2004] HCA 58
18 November 2004
S628/2003

ORDER

UPON the appellant by its counsel undertaking to the Court in writing forthwith to proffer to the Federal Court of Australia, for the period of the continuation of the stay provided in order 5 of these orders, the following undertakings:

- (a) to prosecute the proceedings in the Federal Court expeditiously;*
- (b) forthwith to serve on the Commissioner of Patents a copy of this order with a request that particulars of this order be registered in accordance with s 187 of the Patents Act 1990 (Cth);*
- (c) not to threaten any person with proceedings for infringement of claims 1-32 of Patent No 702534 ("the Patent");*
- (d) not to seek to amend any claims of the Patent otherwise than in the course of or in connection with the proceedings in the Federal Court;*

THE COURT ORDERS THAT

- 1. The appeal is allowed with costs.*
- 2. Orders 1 and 2 made by the Full Court of the Federal Court on 7 March 2003 are set aside.*
- 3. It is declared that claims 1-32 of the Patent are fairly based on matters described in the complete specification.*

4. *The matter is remitted to a Full Court of the Federal Court for the determination of the remaining issues on the appeal to that Court and to make such further orders as are necessary and appropriate, including orders disposing of the costs of the appeal to that Court and the proceedings before Hely J and disposing of any application to amend the Patent.*
5. *The stay the subject of the orders of the Court made on 27 March 2003 and 23 December 2003 continue until the determination of the proceedings remitted to the Full Court of the Federal Court or further order of the Federal Court.*

On appeal from the Federal Court of Australia

Representation:

A J L Bannon SC with C Dimitriadis for the appellant (instructed by Phillips Ormonde & Fitzpatrick)

D K Catterns QC with S J Goddard for the respondent (instructed by Spruson & Ferguson)

Notice: This copy of the Court's Reasons for Judgment is subject to formal revision prior to publication in the Commonwealth Law Reports.

CATCHWORDS

Lockwood Security Products Pty Ltd v Doric Products Pty Ltd

Patents – Validity – Fair basing of claims – Patent for a door lock – Specification included a consistory clause and described a preferred embodiment – Central claim essentially repeated consistory clause – Whether claim was "fairly based" on the matter described in the specification within s 40(3) of the *Patents Act* 1990 (Cth) or travelled beyond it – Whether test of fair basing involves consideration of "merit", "inventive step", "technical contribution to the art" or general "fairness" – Whether grounds of invalidity under *Patents Act* must be kept distinct.

Words and phrases – "consistory clause", "fairly based", "fair basing", "inventive step", "invention", "merit", "real and reasonably clear disclosure", "technical contribution to the art", "the matter described in the specification".

Patents Act 1952 (Cth), s 40(2).

Patents Act 1990 (Cth), ss 18(1), 40(2), 40(3), 45(1), 59, 138(3), Sched 1.

Patents Act 1949 (UK), s 4(4).

Patents Act 1977 (UK), ss 14, 72(1)(c).

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The nature of the Patent

1 This appeal concerns Australian Letters Patent No 702534 ("the Patent"). The appellant is the Patentee ("the Patentee"). The Patent relates to key controlled latches – for example, those used in the front doors of dwellings. The respondent ("Doric") is a manufacturer and supplier of door locks. The issue is whether the claims which define the scope of the monopoly granted by the Patent are "fairly based on the matter described in" the balance (ie the body) of the Patent specification within the meaning of s 40(3) of the *Patents Act* 1990 (Cth) ("the Act"), or whether they travel beyond that matter¹.

2 *Claim 1.* The Patent comprises a complete specification headed "KEY CONTROLLED LATCH"; it describes the invention and ends with 33 claims. Claims 2-32 are built upon claim 1 and thus are narrower than claim 1. Claim 33 claims a latch assembly as particularly described with reference to the accompanying drawings. The issue on the appeal concerns fair basing and may be determined by regard to claim 1 alone. The appeal was conducted on that footing. If claim 1 is fairly based, so are claims 2-32.

3 Claim 1 is for a combination, as that term is understood in patent law². In *Welch Perrin & Co Pty Ltd v Worrel*³, Dixon CJ, Kitto and Windeyer JJ said that in a patent for a combination:

"the most important function of the body of the specification is to show what are the mechanical means which, operating together, produce the result claimed; and how they so operate".

4 Claim 1 is as follows. For ease of later reference, the six integers are numbered as they were by agreement of the parties at the trial.

1 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 12 [15].

2 *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 611 per Dixon CJ, Kitto and Windeyer JJ.

3 (1961) 106 CLR 588 at 612.

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"A latch assembly including, [(i)] a casing, [(ii)] a latch bolt mounted on the casing so as to be movable relative thereto between an extended latching position and a retracted release position, [(iii)] a first actuator operable from an inner side of the assembly to cause movement of the latch bolt to said release position, [(iv)] locking means operable from said inner side of the assembly to adopt an active condition and thereby render said first actuator inoperable, [(v)] a second actuator operable from an outer side of the assembly to cause movement of the latch bolt to the release position, and [(vi)] lock release means which is responsive to said operation of the second actuator so as to thereby render said locking means inactive."

5 *The background to integer (iv).* At one time, a typical key controlled latch assembly included a single key-operated lock. The key hole of the lock was on the outside of the door. A person outside the door could use the key to release the latch and unlock the door. A person inside the door could release the latch, not by using a key, but instead by using a handle or knob. This arrangement is described in integers (i)-(iii) and (v) of claim 1. An "actuator" is something that causes an operation to occur. Thus the handle or knob is described in integer (iii) as a "first actuator operable from an inner side of the assembly". The "second actuator" in integer (v) refers to a device, usually a key-operated tumbler, which enables movement of the latch bolt to the release position from the outside of the door.

6 The disadvantage of this arrangement was that an unauthorised person could open the door without having the key. For example, burglars could smash a pane of glass in or adjacent to the door and reach the inside handle or knob to gain entry. Or burglars could enter the premises through a window too small to permit the passage of bulky goods and open the door without a key from the inside in order to depart through it with the bulky goods which they had stolen.

7 *The introduction of integer (iv).* Latches including integer (iv) were developed to overcome this shortcoming. Integer (iv) is a second key-operated lock on the inside of the door, located on the inside handle or knob. The purpose of the second lock was to enable the inside handle or knob to be locked into position, using the key, so that the handle or knob could not then be used to release the latch and open the door from the inside. While overcoming the disadvantage discussed above, this permitted the latch to be released using the key from the outside of the door, regardless of whether the inside handle had been locked into position. In integer (iv) the second lock facilitating the locking of the inside handle or knob (the "first actuator") is described as "locking means operable from said inner side of the assembly".

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8 *The problem created by integer (iv).* However, a problem arose with latches incorporating integer (iv). The body of the Patent specification described the problem thus:

"Such locks are typically arranged so as to be operated from the inside of the door and are not operable from the outside of the door. In particular, key operation of the latch from the outside of the door will not release the lock. That can lead to serious problems in circumstances where the door needs to be opened urgently from the inside, particularly if the lock key has been misplaced or is not conveniently accessible."

The problem was that while it was possible for an occupant of the premises to enter by unlocking the door from the outside and then to close it, the internal handle or knob remained locked until the key was used to unlock it from the inside. If the occupant failed to do this on entry, dangerous circumstances could arise. For example, an occupant, encumbered by full shopping bags, who entered by using a key from the outside, left the key in the door or misplaced it and then discovered that the door had banged shut would find it impossible to leave through the door if a fire broke out inside, or if a child were seen entering a position of danger outside.

9 *The solution to the problem created by integer (iv): integer (vi).* According to the Patent specification, this problem was overcome by integer (vi). The specification said:

"It is an object of the present invention to provide a key controlled latch which can be released from a locked condition by use of a key at the outside of the door or other member with which the latch is used."

It then set out what it described as a "typical latch assembly to which the present invention is applicable". The description comprised integers (i)-(v). The specification continued:

"In normal latch assemblies of the foregoing kind operation of the outer or second actuator [ie usually a mechanism involving the use of a key from the outside of the house] does not affect the operation of the locking means [on the inside of the door]. That locking means remains active in spite of operation of the outer actuator, and can be rendered inactive only by appropriate and deliberate operation of the locking means from the inner side of the latch assembly. It is usually the case in such prior assemblies that the locking means is key operated. That is, the

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locking means will generally include a key operated tumbler lock and locking mechanism connected to that lock so as to be influenced by operation of the lock. The second or outer actuator may also include a key operated tumbler lock, but in conventional assemblies of the foregoing kind operation of that lock does not influence operation of the first actuator locking means. The two locks are arranged so that one is operated from the inner side of the assembly and the other is operated from the outer side."

10 The specification then described the inventive step as follows:

"According to the present invention, a latch assembly of the foregoing kind [ie using integers (i)-(v)] is characterised in that it includes lock release means which is responsive to operation of the second actuator to render the locking means inactive."

It will be noticed that this language corresponds with that of integer (vi) as it appears in claim 1. These words constitute a "consistory clause" – a general description of what the invention is said to consist of – and will be called that below. This clause was relied on by the Patentee as "the matter described in the specification" on which the claims were "fairly based" within the meaning of s 40(3) of the Act.

11 The specification then said:

"The first actuator will *generally* include a rotatable knob or handle which is connected to the latch bolt in a known manner so as to be operable to move that bolt into the release position, and the bolt may be spring biased into the latching position. The locking means *preferably* includes at least one cam controlled detent which is movable between actuator locking and actuator release positions. It is also *preferred* that the lock release means is operable to influence the detent cam in a manner such that operation of the second or outer actuator causes the detent cam to move to a position corresponding to the actuator release position of the detent. The cam *may be* spring biased towards that corresponding position, and retaining means *may be* operable to allow or prevent such movement according to whether or not, respectively, the second actuator is operated.

Embodiments of the invention are described in detail in the following passages of the specification which refer to the accompanying drawings. The drawings, however, are merely *illustrative* of how the

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invention *might* be put into effect, so that the specific form and arrangement of the various features as shown is *not to be understood as limiting* on the invention." (Emphasis added.)

- 12 There was other language suggesting that although a particular arrangement was shown in the drawings, the invention was not limited to that arrangement. For example the specification referred to the first drawing as showing "a latch assembly 1 incorporating *one* embodiment of the invention". (Emphasis added.) The specification then stated:

"It is a feature of the assembly 1 that it includes lock release means 17 which responds to operation of the lock 10 so as to automatically deactivate the locking means 13. The *release means may take any suitable form, and one particular form will be hereinafter described.*" (Emphasis added.)

- 13 The crucial difference between the parties was that while the Patentee said that the invention was described in the consistory clause, Doric said that it was described by reference to the drawings thus:

"Lock release means is provided to enable the lever 31 to be moved out of blocking engagement with the cam projection 40. In the *particular arrangement* shown, the lock release means 17 is arranged to have direct influence on the cam retainer means, and it is *preferred* that such influence is achieved through a rotatable camming member 42 which forms part of the release means 17 and is connected to the outside lock 10 so as to rotate in response to rotation of the lock barrel 12. As shown by Figure 11, that connection *may* include a drive bar 43 of non-circular cross-sectional shape which engages at one end within a slot 44 in an end of the barrel 10, and engages at its other end in a rectangular aperture 45 formed through the camming member 42.

As best seen in Figures 4, 6 and 8, the camming member 42 is arranged to overlie the lever 31 at the side of that lever remote from the cam 22. A camming lug 46 provided on the member 42 has a sloping cam face 47 which is adapted to engage against an upstanding portion 48 of the lever 31 which projects above the plate 36, as shown in Figures 4, 6 and 8, when the lever 31 is in the cam retaining position. Rotation of the member 42 caused through operation of the lock 10, results in coaction between the cam face 47 and the lever portion 48 such that the lever 31 is progressively forced downwards against the action of the spring 41 towards the position shown in Figure 8." (Emphasis added.)

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Below, that passage will be referred to as "the invention urged by Doric". Doric contended that while claim 1 claimed any form of lock release means, the specification described only one form.

The background of the appeal

14 *Commencement of proceedings.* Doric commenced proceedings in the Federal Court of Australia pursuant to s 128 of the Act. It alleged that the Patentee had made unjustified threats of proceedings for infringement of the Patent against it and its two distributors. The Patentee cross-claimed for infringement of claims 1-8, 12-15, 17, 20, 22, 23 and 30-32. Doric in turn cross-claimed against the Patentee seeking revocation of the Patent on various grounds. These were that the alleged invention was not novel, contrary to s 18(1)(b)(i) of the Act; that the alleged invention was obvious and involved no inventive step, contrary to s 18(1)(b)(ii) of the Act; that the alleged invention was not useful, contrary to s 18(1)(c) of the Act; that the specification did not fully describe the invention claimed, contrary to s 40(2)(a) of the Act; that certain of the claims were not clear, or not clear and succinct, contrary to s 40(3) of the Act; and that none of the claims were fairly based on the matter described in the specification, contrary to s 40(3) of the Act.

15 *The conclusions of the trial judge.* After a 10 day trial, Hely J dealt with the many issues arising out of these complex controversies in a chiselled, economical and speedily delivered judgment. He found that the manufacture and sale of Doric's products had infringed claims 1-6, 12-15, 20 and 30-32⁴, but not claims 7, 8, 17, 22 and 23⁵. He rejected all of Doric's attacks on validity save two: he found that claims 1-32 were not fairly based on the matter described in the specification⁶, and he found that claims 1-6, 12, 31 and 32 were not novel⁷. He made an order revoking claims 1-32 of the Patent.

4 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 317 [41], 325 [92], 326 [100] and 327 [107].

5 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 324 [84], 325 [86], 326 [98] and [103], and 327 [105].

6 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 348 [236].

7 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 329 [124] and 330 [128]-[129].

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16 *The appeal to the Full Court.* Initially, the parties formulated numerous complaints about the trial judge's conclusions, but they then abandoned most of them. The Patentee pressed grounds of appeal to the Full Court against the trial judge's orders only so far as they were based on his conclusions (a) that claims 1-32 were invalid for not being fairly based on the matter described in the specification, and (b) that claims 7, 8, 17, 22 and 23 had not been infringed. For its part, Doric, so far as it pressed a notice of contention, sought to support the trial judge's revocation order on the grounds that the invention was not novel and that the complete specification did not describe it fully.

17 *The Full Court's disposition of the appeal.* The Full Court (Wilcox, Branson and Merkel JJ) dismissed the appeal by upholding the trial judge's conclusion on but one of the many issues before him – that claims 1-32 were invalid because they were not fairly based on the matter described in the specification⁸. Full argument was presented to the Full Court over three days on all remaining live issues, but it did not need to decide, and did not decide, either the issues raised by the Patentee's appeal on infringement, or the notice of contention issues (although Wilcox J, with whom Branson J agreed, gave some consideration to the latter⁹).

18 *The appeal to this Court.* The Patentee has obtained special leave to appeal in relation to the Full Court's decision to uphold the trial judge's orders on the ground that claims 1-32 are not fairly based on the matter disclosed in the specification.

19 *Claim 1 as the basis for discussion.* Although the Patentee does not challenge the trial judge's findings that claims 1-6, 12, 31 and 32 lack novelty, the trial judge's findings that claims 7, 8, 13-15, 17, 20, 22, 23 and 30 are novel are not challenged by Doric. (The Patentee foreshadowed an application to the Federal Court to amend some claims, but nothing turns on that for present purposes.) These latter claims are all ultimately dependent on claim 1. Their validity is a live issue for this Court in relation to fair basing, and remains a live issue (though not in this Court) in relation to obviousness and sufficiency of

8 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 496 [72] per Wilcox J, 497 [80] per Branson J and 503 [103] per Merkel J.

9 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 495-497 [69]-[77] per Wilcox J and 497 [80] per Branson J.

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description. Hence, as indicated above, it is convenient to adopt the course taken in the courts below of analysing the fair basis objection by reference to claim 1.

Relevant legislation

20 It is convenient to set out certain provisions of the Act in the form they took at the time material to these proceedings, but to speak of them in the present tense.

21 Section 18 provides in part:

"(1) Subject to subsection (2), a patentable invention is an invention that, so far as claimed in any claim:

- (a) is a manner of manufacture within the meaning of section 6 of the Statute of Monopolies; and
- (b) when compared with the prior art base as it existed before the priority date of that claim:
 - (i) is novel; and
 - (ii) involves an inventive step; and
- (c) is useful; and
- (d) was not secretly used in the patent area before the priority date of that claim by, or on behalf of, or with the authority of, the patentee or nominated person or the patentee's or nominated person's predecessor in title to the invention."

22 Section 40 provides in part:

- "(1) A provisional specification must describe the invention.
- (2) A complete specification must:
 - (a) describe the invention fully, including the best method known to the applicant of performing the invention; and
 - (b) where it relates to an application for a standard patent – end with a claim or claims defining the invention ...

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(3) The claim or claims must be clear and succinct and fairly based on the matter described in the specification.

(4) The claim or claims must relate to one invention only."

23 Section 138(3) creates the following exclusive list of grounds for revocation of a patent by a court:

"(a) that the patentee is not entitled to the patent;

(b) that the invention is not a patentable invention;

(c) that the patentee has contravened a condition in the patent;

(d) that the patent was obtained by fraud, false suggestion or misrepresentation;

(e) that an amendment of the patent request or the complete specification was made or obtained by fraud, false suggestion or misrepresentation;

(f) that the specification does not comply with subsection 40(2) or (3)."

24 "Patentable invention" is defined in Sched 1 as meaning "an invention of the kind mentioned in section 18".

25 Section 59 creates the following exclusive list of grounds on which the grant of a standard patent can be opposed:

"(a) that the nominated person is not entitled to a grant of a patent for the invention;

(b) that the invention is not a patentable invention because it does not comply with paragraph 18(1)(a) or (b);

(c) that the specification filed in respect of the complete application does not comply with subsection 40(2) or (3)."

26 And s 45(1) provides in part:

"Where an applicant asks for an examination of a patent request and complete specification, the Commissioner must examine the request and specification and report on:

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- (a) whether the specification complies with section 40; and
- (b) whether, to the best of his or her knowledge, the invention, so far as claimed, satisfies the criteria mentioned in paragraphs 18(1)(a) and (b) ..."

27 This appeal turns upon the phrase in s 40(3) "fairly based on the matter described in the specification". This sub-section is concerned purely with the relationship between the body and claims of the one specification. However, the criterion of fair basing appears elsewhere in patent law, in particular to establish a sufficient connection with an earlier disclosure to support that earlier date as the priority date for a claim or claims¹⁰. The Patents Regulations 1991 (Cth) use the phrase "the claim is fairly based on matter disclosed" in provisional applications, applications under the Patent Cooperation Treaty and divisional applications¹¹.

The Patentee's difficulties

28 The Patentee submitted that the invention was stated in the consistory clause. The Patentee submitted that the rest of the body of the specification set out various "preferable" or "illustrative" embodiments or examples, and that the language emphasised in the quotations from the specification set out above made it plain that the invention was not limited to any one form described, and in particular to the invention urged by Doric.

29 Both the trial judge¹² and at least a majority of the judges of the Full Court¹³ recorded agreement with the Patentee's identification of the invention in the consistory clause.

10 *Rehm Pty Ltd v Websters Security Systems (International) Pty Ltd* (1988) 81 ALR 79 at 92-93.

11 Regs 3.12, 3.13.

12 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 311 [13]-[14]; see also 316-317 [39].

13 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 481 [9], 483-484 [26]-[27], 495-496 [71] per Wilcox J, 497-498 [84] per Branson J. At 500 [93] Merkel J appeared to agree, but he took a different view at 502-503 [100]-[102].

30 The acceptance of that submission created potential difficulties for the
Patentee.

31 First, so broad a statement of the invention exposed it to attack on the
ground that the complete specification had not described it fully, contrary to
s 40(2)(a) of the Act. A limited attack of that kind was made, but it was rejected
by the trial judge¹⁴. No broad attack based on the failure of the Patent to say how
a suitable lock release means could be constructed was made: that was within the
knowledge of a skilled addressee, and, as the trial judge said, any allegation of
that kind would have contradicted Doric's case on obviousness¹⁵.

32 Secondly, so broad a statement of an invention that was said to achieve a
new result prima facie made the Patent vulnerable to attack on the ground that it
was obvious in that it did not involve an inventive step, contrary to s 18(1)(b)(ii)
of the Act. The trial judge found that while the problem was obvious, the
solution was not, and thus he rejected that attack¹⁶.

33 Thirdly, so broad a statement of achieving a new result prima facie made
the Patent vulnerable to the contention that it was not novel, contrary to
s 18(1)(b)(i) of the Act. The trial judge rejected this, save in relation to nine of
the claims¹⁷.

34 Fourthly, an invention so broadly expressed was liable to attack on the
ground that the claims defining it were ambiguous and therefore not clear,
contrary to s 40(3) of the Act. The trial judge rejected this attack as well¹⁸.

14 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR
306 at 350 [247].

15 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR
306 at 312 [17].

16 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR
306 at 336 [169], 341 [200] and 346 [226].

17 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR
306 at 329 [124] and 330 [128]-[129].

18 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR
306 at 352 [262].

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35 Fifthly, while it might have been argued that the invention did not constitute a manner of manufacture, contrary to s 18(1)(a) of the Act, that objection was not taken.

36 Sixthly, the trial judge rejected a limited contention that the invention lacked utility¹⁹.

37 Accordingly, before both the Full Court and this Court, leaving aside the surviving issues raised by Doric's notice of contention concerning obviousness and s 40(2)(a) of the Act, and the dispute about fair basing under present consideration, the position is that the challenges to the Patent which could have been made were not made, or, so far as they succeeded, have become academic, or were rejected by the trial judge and are not revived. The s 40(3) issue is accordingly presented to this Court in isolation.

The Patentee's submissions

38 The Patentee submitted that the similarity of language between the statement of the invention in the consistory clause and that in integer (vi) in claim 1, while leaving the claim open to other attacks on its validity to be examined on their own merits, prevented any fair basing attack because it could not be said that claim 1 travels beyond the invention when it repeated the very words which stated it. Claim 1 claims a latch assembly with six integers. The body of the specification expressly states that the invention the subject of the Patent is characterised, and only characterised, by a latch assembly combining those six integers – five being in prior art latch assemblies, and the sixth being a lock release means to function in response to the second actuator so as to render the internal lock inactive. Nothing in the body of the specification suggests that the description of the invention to be found in the consistory clause is wider than the invention actually was. That submission should be accepted. For the reasons set out later, Doric has demonstrated no error in it.

Doric's submissions

39 Doric's contrary arguments asserted the axiomatic injustice of accepting the Patentee's contention. It was said to be unjust that the Patentee could claim

19 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 351 [254].

every method of achieving the result stated by integer (vi), when the law required only one result to be disclosed by claim 1 to satisfy the requirement of s 40(2)(a)²⁰, when only one was disclosed, and when there was a disparity between the breadth of the claim and the limited merit of the preferred embodiment revealed in the drawings. Doric contended that it would be absurd if the s 40(3) test of fair basing could be satisfied by a "mechanistic" investigation of whether the specification contained language which did no more than match the key integer of a claim.

40 Doric's arguments to that end, which must have influenced the courts below, tended to slip into grounds of invalidity other than s 40(3) which it had not run, or had run but abandoned, or had run but which remained to be decided, if necessary, by the Full Court. Doric appeared to proceed on the basis that even if its axiomatically just complaint could not be fitted within any other ground of invalidity, it was so analogous to other grounds that it ought to succeed and therefore, *faute de mieux*, ought to be fitted within the fair basing ground. In particular, much of Doric's s 40(3) argument kept cleaving back to a s 40(2)(a) argument based on insufficient description. But that argument is not open in this Court: the trial judge's rejection of the s 40(2)(a) attack is not before this Court, since its correctness remains for consideration by the Full Court if the present appeal succeeds. The unavailability of the s 40(2)(a) argument is not a passport to success under s 40(3).

41 The key allegation in Doric's Particulars of Invalidity considered by the courts below was:

"[E]ach of claims 1-33 claims as features limiting the invention respectively claimed in those claims, features in respect of which there is not a real and reasonably clear disclosure in the body of the specification."

To this was added by amendment during the trial the following:

20 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 17 [25] per Gleeson CJ, McHugh, Gummow, Hayne and Callinan JJ. Their Honours there posed as the relevant question: "will the disclosure enable the addressee of the specification to produce something within each claim without new inventions or additions or prolonged study of matters presenting initial difficulty?" (Footnote omitted.)

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"Each of claims 1-6 travels beyond the matter described in the specification in that what is truly described in the specification is a single embodiment which provides the need referred to [at the start of the body of the specification]. Claims 1-6 cover very many ways additional to that of achieving that end."

42 It is convenient first to discuss some aspects of s 40(3), then to analyse the reasoning of the courts below, and then to examine the reasons why Doric's arguments, so far as they differ from that reasoning, must be rejected.

The construction of s 40(3): separate consideration of each ground of invalidity

43 The language of the legislation suggests that it is wrong to employ reasoning relevant to one ground of invalidity in considering another.

44 *Section 18 compared with s 40.* Section 18 of the Act is in Ch 2, headed "Patent rights, ownership and validity". Section 18 sets out requirements which go to the nature and subject-matter of patents. In contrast, s 40 appears in Ch 3, which is headed "From application to acceptance", and which deals with the filing, examination and acceptance of patent applications. Section 40 sets out requirements that are certainly important: in the specification, patentees give the public directions about how the advantages of the invention may be obtained after the patent expires, while in the claims, patentees warn their rivals what they must not do before the patent expires²¹. The requirements of s 40, however, unlike those of s 18, say nothing about the nature or subject-matter of patents, and go more to the form that specifications must take. Both the differences in the requirements which ss 18 and 40 impose, and their respective locations in the Act, suggest that s 18 issues have no relevance to s 40. So far as s 18 refers to "patentable inventions" and s 40 to "inventions", that conclusion is also supported by the definition in Sched 1 of the Act of "invention" as including an "alleged invention".

45 *Separation of matters going to and grounds of invalidity.* That conclusion is also supported by the fact that the s 45(1) matters which an applicant can ask the Commissioner to conduct an examination into, the s 59 grounds on which a

21 *Rehm Pty Ltd v Websters Security Systems (International) Pty Ltd* (1988) 81 ALR 79 at 94-95 per Gummow J; *CCOM Pty Ltd v Jiejing Pty Ltd* (1994) 51 FCR 260 at 277 per Spender, Gummow and Heerey JJ.

patent application may be opposed and the s 138(3) grounds for revoking a patent are separately stated in the paragraphs of each section.

46 *The distinctness of the grounds of invalidity.* It is common in patent infringement litigation for invalidity to be alleged, and for more than one ground of invalidity to be relied on. Certain matters of fact and construction may be relevant to more than one issue. Thus common general knowledge is relevant not only to issues of construction by the skilled addressee, which underlie the infringement inquiry and interact with issues of validity²², but also to obviousness²³. Other factual matters may be relevant to more than one ground of invalidity²⁴. The issues may "intersect and overlap"²⁵. However, as Doric conceded in this Court, the grounds of invalidity themselves are, and must be kept, conceptually distinct. In particular, as Doric also conceded, a lack of fair basing is a distinct ground for revocation. Hence the "inventiveness" or "meritoriousness" of, or the technical contribution made by, the specification are issues to be examined if there is an objection under s 18(1)(b) of the Act for want of novelty or absence of an inventive step (ie obviousness). There is no reason to introduce them into the fair basing question.

47 The contrary is suggested by reading in isolation a statement of Blanco White, on which the trial judge relied²⁶. It is that the fair basing objection "overlaps others to a large extent". A footnote gave as illustrations of those "others" the objections based on ss 18(1)(a), 18(1)(b)(ii) and 18(1)(c) of the Act.

22 *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 610 per Dixon CJ, Kitto and Windeyer JJ.

23 Section 7(2) of the Act and *Firebelt Pty Ltd v Brambles Australia Ltd* (2002) 76 ALJR 816 at 821-823 [31]-[36] per Gleeson CJ, McHugh, Gummow, Hayne and Callinan JJ; 188 ALR 280 at 287-289.

24 *Sunbeam Corporation v Morphy-Richards (Aust) Pty Ltd* (1961) 180 CLR 98 at 111-112 per Windeyer J.

25 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 19 [34].

26 *Patents For Inventions*, 5th ed (1983) at §4-801: see *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 348 [236].

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Blanco White did not support that statement by the citation of any authority. The passage which preceded the statement contradicted it. It said²⁷:

"It is an objection to the validity of a patent that any claim is 'not fairly based on the matter disclosed in' the complete specification. *This is a matter arising essentially on the contents of the complete specification.* Subject to that, the objection would appear to include the old objection that 'the claim claims more than what the patentee invented if he invented anything.' The modern rule thus becomes: the inventor is not entitled to claim a monopoly more extensive than is necessary to protect that which he has *himself (in his specification) said* is his invention."

48 If all that is essential in assessing a fair basing objection is recourse to the contents of the specification, there is no call, for example, for an examination (except on construction questions) of common general knowledge (which is essential when considering an objection based on want of an inventive step), or of prior art (which is essential when considering novelty (s 7(1))). And Blanco White's statement is contradicted by Australian authority. A specification can comply with s 40 even though what it claims has been invented is not a patentable invention because it is not novel or it is obvious²⁸. Each of the grounds of invalidity referred to in ss 18(1)(a), 18(1)(b)(i), 18(1)(b)(ii) and 18(1)(c) is distinct from the others²⁹. Thus there is a "logically precise"³⁰ and "fundamental" difference³¹ between the objection for want of novelty and the objection for want of an inventive step³². The lack of inventive step ground of

27 Blanco White, *Patents For Inventions*, 5th ed (1983) at §4-801, footnotes omitted (emphasis added).

28 *Rose Holdings Pty Ltd v Carlton Shuttlecocks Ltd* (1957) 98 CLR 444 at 449 per Williams J.

29 *CCOM Pty Ltd v Jiejing Pty Ltd* (1994) 51 FCR 260 at 291 per Spender, Gummow and Heerey JJ.

30 *Sunbeam Corporation v Morphy-Richards (Aust) Pty Ltd* (1961) 180 CLR 98 at 111 per Windeyer J.

31 *Graham Hart (1971) Pty Ltd v S W Hart & Co Pty Ltd* (1978) 141 CLR 305 at 330 per Aickin J.

32 *Advanced Building Systems Pty Ltd v Ramset Fasteners (Aust) Pty Ltd* (1998) 194 CLR 171 at 181-182 [10]-[11] per Brennan CJ, Gaudron, McHugh and
(Footnote continues on next page)

invalidity is distinct from all the others, including fair basing³³. A patent can be successfully challenged on the ground that the claims are not fairly based even though every other possible ground of challenge fails.

49

Section 40 grounds analysed. The distinctness of the grounds of invalidity can also be illustrated by comparing the fair basing objection with those most closely connected with it, namely the failure to describe the invention fully, and the failure to claim clearly and succinctly. Section 59(c) of the Act creates as grounds for opposition, and s 138(3)(f) creates as grounds for invalidity, non-compliance with s 40(2) or (3). They are commonly called "s 40 points", and they do form a genus in that it is not necessary to look at common general knowledge at the priority date, except in construing the patent³⁴. But the genus contains several distinct grounds. Section 40(2) deals with the "complete specification", that is, with a document which concludes with the claims defining the invention (s 40(2)(b)), and in which the material preceding the claims is commonly called the "body of the specification", or the "specification" for short. In assessing whether a patent complies with the requirement of s 40(2)(a) that the complete specification must describe the invention fully, it is necessary to take into account the whole of the complete specification – both the body of the specification and the claims³⁵. On the other hand, when assessing whether there is fair basing within the meaning of s 40(3), it is necessary to split the patent into the claims and the body of the specification, in order to see whether the former are fairly based on the matter described in the latter³⁶. These statutorily compelled differences in the mode of analysis point against any overlap in the provisions when considered as grounds of opposition or invalidity.

Gummow JJ. For the history see *R D Werner & Co Inc v Bailey Aluminium Products Pty Ltd* (1989) 25 FCR 565 at 594-601 per Gummow J (Jenkinson J concurring).

33 *Advanced Building Systems Pty Ltd v Ramset Fasteners (Aust) Pty Ltd* (1998) 194 CLR 171 at 184 [16] per Brennan CJ, Gaudron, McHugh and Gummow JJ.

34 *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 610 per Dixon CJ, Kitto and Windeyer JJ.

35 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 12-13 [14] and [16].

36 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 12 [15].

The construction of s 40(3): irrelevance of "inventive step", "merit" and "technical contribution to the art"

50 To some extent, various of the judgments below assume that the relevant test under s 40(3) requires a comparison between the claims and the "inventive step"³⁷, or a comparison between the claims and the "merit" of the invention³⁸, or a comparison between the claims and the "technical contribution to the art" made by the patent³⁹.

51 There are some key features of the legislation which suggest that these assumptions are wrong.

52 *The imprecision of "inventive merit".* This Court has recently warned against use of the expression "inventive merit". It was employed in the 19th century to express ideas now relevant to what is novel and to what is an inventive step (ss 18(1)(b)(i) and (ii) of the Act). "The phrase invites error through imprecision of legal analysis."⁴⁰

53 *The language of s 40(3).* Further, conceptions like "inventive step", "merit" and "technical contribution to the art" find no support in the statutory language of s 40(3). Section 40(1) speaks of a provisional specification describing "the invention" and s 40(2)(a) speaks of a complete specification describing "the invention fully". Section 40(2)(b) speaks of the claims "defining the invention". Section 40(4) speaks of the claims relating "to one invention only". Although s 40(3) does not use the word "invention", this context suggests, and the parties agreed, that the requirement in s 40(3) that the claims be fairly based on the matter described in the specification is a requirement that they be fairly based on the matter in it that discusses the "invention" (an expression

37 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 496 [72]-[73] per Wilcox J, 503 [102] per Merkel J.

38 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 502 [100] per Merkel J.

39 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 347-348 [235]-[236] per Hely J.

40 *Advanced Building Systems Pty Ltd v Ramset Fasteners (Aust) Pty Ltd* (1998) 194 CLR 171 at 188 [26] per Brennan CJ, Gaudron, McHugh and Gummow JJ.

which includes the "alleged invention"). In s 40(1), "invention" means "the embodiment which is described, and around which the claims are drawn"⁴¹. It has the same meaning in s 40(2)⁴². So far as s 40(3) implicitly refers to an invention, it must bear the same meaning there. It does not mean the "inventive step taken by the inventor" or the "advance in the art made by the inventor"⁴³. Nor does it refer to inventive "merit" or to any "technical contribution to the art".

54 Even if s 40(3) did not impliedly refer to an invention, the language points to a comparison between the claims and what is described in the specification only, and again it does not call for any inquiry into an "inventive step", or inventive "merit" or a "technical contribution to the art".

Section 40(3) in the light of pre-statutory authorities

55 Sometimes s 40(3) is discussed by reference to authorities decided before the first statutory ancestor of s 40(3) was introduced in the United Kingdom by s 4(4) of the *Patents Act* 1949 (UK) ("the 1949 UK Act"), and in Australia by s 40(2) of the *Patents Act* 1952 (Cth) ("the 1952 Act"). A leading example is *Mullard Radio Valve Co Ltd v Philco Radio and Television Corporation of Great Britain Ltd*. There are phrases in it which give some support to the glosses relating to "merit" and "technical contribution" appearing in the courts below. Thus Lord Macmillan said⁴⁴:

"The fact that an article of obvious construction is discovered to give a valuable and new benefit if employed in a particular way does not *entitle* the discoverer to prevent everyone else from making that article. A patentee is granted his monopoly in order to protect the invention which in his specification he has communicated to the public. He is not *entitled* to

41 *AMP Inc v Utilux Pty Ltd* (1971) 45 ALJR 123 at 127 per McTiernan J; revd on other grounds: *Utilux Pty Ltd v AMP Inc* (1974) 48 ALJR 17; *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 14-15 [21] per Gleeson CJ, McHugh, Gummow, Hayne and Callinan JJ.

42 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 15 [21].

43 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 15 [21].

44 (1936) 53 RPC 323 at 346-347.

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claim a monopoly more extensive than is necessary to protect that which he has himself said is his invention. In the present case I think that in Claim 2 the Patentee has claimed more than his inventive idea *entitles* him to protect. He has not *earned the right* to say that no one else shall be permitted in manufacturing valves to connect the electrode nearest the anode with the cathode." (Emphasis added.)

Lord Macmillan went on to say⁴⁵:

"The consideration which the patentee gives to the public disclosing his inventive idea *entitles* him in return to protection for an article which embodies his inventive idea but not for an article which, while capable of being used to carry his inventive idea into effect, is described in terms which cover things quite unrelated to his inventive idea, and which do not embody it at all. ...

It is undoubtedly the case that a claim may be too wide, in the sense that it claims protection for that for which the patentee is not *entitled* to protection, or that it gives him a wider protection than his discovery *entitles* him to receive. In the present instance the Patentee has claimed a monopoly of all valves with a certain feature of construction although the *merit* of his invention does not lie in that feature but in the utilisation in a particular and limited way of a valve containing that feature of construction. In so doing he has in my opinion over-reached himself and his claim is wider than the law will support." (Emphasis added.)

56 Lord Macmillan's speech has been relied on in cases on s 40(2) of the 1952 Act in this Court⁴⁶ but not in a manner essential to the result. The fact that that speech was dealing with objections based on novelty and obviousness⁴⁷, and

45 (1936) 53 RPC 323 at 347.

46 *Montecatini Edison SpA v Eastman Kodak Co* (1971) 45 ALJR 593 at 597 per Gibbs J; *Olin Corporation v Super Cartridge Co Pty Ltd* (1977) 180 CLR 236 at 263 per Stephen and Mason JJ.

47 *Mullard Radio Valve Co Ltd v Philco Radio and Television Corporation of Great Britain Ltd* (1936) 53 RPC 323 at 339. An application to amend claim 2 of the *Mullard* patent which was made to Morton J after the House of Lords decision succeeded ((1938) 55 RPC 197) but the Court of Appeal upheld an appeal against the allowance of the amendment ((1938) 56 RPC 1).

was delivered at a time when there was no statutory equivalent to s 40(3) of the Act, however, requires that it be used with great care.

57 In *CCOM Pty Ltd v Jiejing Pty Ltd*⁴⁸, the Full Court of the Federal Court said of *Mullard*:

"[T]he House of Lords had been concerned to find a rationale for disconformity between the body and claims in a complete specification, in the absence of express statutory provision. The rationale was found in the concept of the disclosure as the consideration for the monopoly delimited by the claim. But, in applying *Mullard* to what since 1952 are express statutory provisions, some caution is needed lest the history swamp the new text."

It was for this reason that in *Olin Corporation v Super Cartridge Co Pty Ltd*⁴⁹ Barwick CJ stressed the importance of abandoning tests developed at a time when the idea underlying the present s 40(3) did not take a statutory form, and concentrating instead on the statutory language.

"The question whether the claim is fairly based is not to be resolved ... by considering whether a monopoly in the product would be an undue reward for the disclosure. Rather, the question is a narrow one, namely whether the claim to the product being new, useful, and inventive, that is to say, the claim as expressed, travels beyond the matter disclosed in the specification."

Barwick CJ dissented as to the construction of the patent in suit in *Olin* but the approval of his statement of principle by a unanimous court in *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd*⁵⁰ means that authorities decided before the enactment of the precursors to s 40(3), including *Mullard's Case*, should now be treated as being of very limited assistance in the construction of s 40(3).

48 (1994) 51 FCR 260 at 279 per Spender, Gummow and Heerey JJ.

49 (1977) 180 CLR 236 at 240.

50 (2001) 207 CLR 1 at 12 [15] per Gleeson CJ, McHugh, Gummow, Hayne and Callinan JJ.

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58 The actual result in *Mullard's Case* may have been the same if s 40(3) had been in force. The conclusion was that while the invention rested on the employment of a screening grid in conjunction with a control grid, the central claim made no reference to these grids. Hence it travelled beyond the matter disclosed in the specification⁵¹. The idea sought to be conveyed here was sometimes expressed in the phrase "covetous claim" but, as Clauson LJ put it in a subsequent *Mullard* case⁵², the phrase was used "in no sinister sense".

59 Another authority in this category is *Palmer v Dunlop Perdrion Rubber Co Ltd*⁵³. At that time, the *Patents Act* 1903 (Cth) ("the 1903 Act") was in force. That authority contains statements, on which Doric placed weight, in support of allowing the appeal in that case (although the appeal was dismissed because the Court was evenly divided). Because they precede the enactment of legislation separating out fair basing as a ground of invalidity, they do not assist in construing s 40(3)⁵⁴. The statements relied upon fasten on the difficulty that can arise in some combination claims, of covering validly more than the particular aggregation of integers stated in the claims. While to some extent the language

51 *Mullard Radio Valve Co Ltd v Philco Radio and Television Corporation of Great Britain Ltd* (1936) 53 RPC 323 at 345 per Lord Macmillan.

52 *Mullard Radio Valve Co Ltd v British Belmont Radio Ltd and Juviler* (1938) 56 RPC 1 at 21.

53 (1937) 59 CLR 30 at 64-65 per Rich J, 76-78 per Dixon J. In the latter passage Dixon J in turn relied on *Mullard Radio Valve Co Ltd v Philco Radio and Television Corporation of Great Britain Ltd* (1936) 53 RPC 323 at 345 per Lord Macmillan and 350 per Lord Roche.

54 Section 36 of the 1903 Act provided:

"A complete specification must fully describe and ascertain the invention and the manner in which it is to be performed, and must end with a distinct statement of the invention claimed."

Section 86(3) provided:

"Every ground on which a patent might at common law be repealed by *scire facias* shall be available as a ground of revocation."

The judgments in *Palmer* contain no reference to s 36 of the 1903 Act.

of Rich J turns on the claim being "too wide"⁵⁵, other parts of the language employed by him and by Dixon J go more to the clarity of claims ("indefinite in the extreme"⁵⁶, "a vague claim", "most indefinite"⁵⁷). And in saying that, outside the operation together of the specific elements of the combination, "subject matter would fail", Dixon J's reasoning appears to proceed on the basis of a lack of inventiveness, ie obviousness⁵⁸. Further, the statements of Rich J are preceded by passages indicating that the issue under debate by him was obviousness⁵⁹. Latham CJ, who favoured dismissing the appeal, and with whom McTiernan J agreed, said obviousness was the most difficult issue⁶⁰. Further, the case involved a patent to achieve an old result (vulcanised battery cases) by new means. It is thus distinct from the present case, which involves a patent to achieve a new result by existing means used in combination, and which falls within the principle stated in *Shave v H V McKay Massey Harris Pty Ltd*⁶¹:

"When a combination claim states an invention which gives an old result by a new means, the monopoly is limited, at any rate prima facie, to the new means. But when by a new application of principle the inventor has obtained a new result or thing, even when it be done by a combination, he may claim all the alternative means by which the thing or result may be achieved."

60 For the purposes of s 40(2)(a), it is not necessary for the inventor to disclose all the alternative means; it is enough that there is disclosure in the sense of enabling the addressee of the specification to produce something within each claim without new inventions or additions or prolonged study of matters

55 *Palmer v Dunlop Perdriau Rubber Co Ltd* (1937) 59 CLR 30 at 65.

56 *Palmer v Dunlop Perdriau Rubber Co Ltd* (1937) 59 CLR 30 at 65 per Rich J.

57 *Palmer v Dunlop Perdriau Rubber Co Ltd* (1937) 59 CLR 30 at 77 per Dixon J.

58 *Palmer v Dunlop Perdriau Rubber Co Ltd* (1937) 59 CLR 30 at 78.

59 *Palmer v Dunlop Perdriau Rubber Co Ltd* (1937) 59 CLR 30 at 64.

60 *Palmer v Dunlop Perdriau Rubber Co Ltd* (1937) 59 CLR 30 at 59 ("The most difficult question in this case is that of subject matter").

61 (1935) 52 CLR 701 at 709 per Rich, Dixon, Evatt and McTiernan JJ.

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presenting additional difficulty⁶². The trial judge held that s 40(2)(a) was satisfied in this case.

61 In the circumstances *Palmer's Case* is not a guide to the construction of s 40(3), and in any event the problem it dealt with is distinct from the present one.

62 To some extent Dixon J saw *Palmer's Case* as turning on the fact that on its true construction the specification disclosed that the invention – a mould for producing vulcanised rubber boxes – depended on the telescoping action of the core of the mould within the mould, whereas the relevant claim referred only to a "power-actuated mechanism forcing relative movement between the mould lining and the core" without any limitation to telescoping action⁶³. That reasoning is consistent with s 40(3), because the unconditional claim travelled beyond the conditional matter in the specification.

The construction of s 40(3): irrelevance of post 1977 United Kingdom cases

63 It is necessary to bear in mind, in examining United Kingdom cases, that in 1977 the language of fair basing disappeared from the United Kingdom legislation on its being changed to give effect to the European Patent Convention. Section 14(5)(c) of the *Patents Act 1977* (UK) ("the 1977 UK Act") provided instead that the claims had to "be supported by the description" of the invention in the specification⁶⁴.

64 The patent in suit in *Biogen Inc v Medeva plc*⁶⁵ related to a DNA sequence coding for hepatitis B virus antigen to stimulate the production of antibodies, and claimed priority from an earlier application ("Biogen 1"). If Biogen 1 did not support in the necessary sense the patent in suit then the patent was invalid because it was conceded that the invention was obvious when the application for

62 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 17 [25].

63 *Palmer v Dunlop Perdriau Rubber Co Ltd* (1937) 59 CLR 30 at 32, 34 and 77.

64 *CCOM Pty Ltd v Jiejing Pty Ltd* (1994) 51 FCR 260 at 276.

65 [1997] RPC 1 (HL).

it had been filed⁶⁶. The House of Lords upheld the decision of the Court of Appeal which, reversing Aldous J⁶⁷, held the patent invalid. Biogen 1 described one recombinant procedure for making the necessary antigen but this did not justify the claim made by the later patent for any recombinant method for making the antigen. The claimed invention was too broad⁶⁸.

65 Doric cited *Biogen* in support of a submission that Lord Hoffmann was of opinion, "in a very closely related context", that the Patentee's argument in this case was "mechanistic and impoverished". Doric referred to a statement by Lord Hoffmann⁶⁹:

"[C]are is needed not to stifle further research and healthy competition by allowing the first person who has found a way of achieving an obviously desirable goal to monopolise every other way of doing so."

Doric also relied on the following passage⁷⁰:

"[T]here is an important difference between the 1949 and 1977 [UK] Acts which make decisions on the earlier Act an unsafe guide. Section 72(1)(c) of the 1977 [UK Act] is not only intended to ensure that the public can work the invention after expiration of the monopoly. It is also intended to give the court in revocation proceedings a jurisdiction which mirrors that of the Patent Office under section 14(3) or the [European Patent Office] under article 83 of the [European Patent Convention], namely, to hold a patent invalid on the substantive ground that, as the [European Patent Office] said ... , the extent of the monopoly claimed exceeds the technical contribution to the art made by the invention as described in the specification. In the 1949 [UK] Act, this function was performed by another ground for revocation, namely that the claim was not 'fairly based on the matter disclosed in the specification' (section 32(1)(i)). The

66 [1997] RPC 1 at 52 per Lord Hoffmann (Lords Goff of Chieveley, Browne-Wilkinson, Mustill and Slynn of Hadley concurring).

67 [1995] RPC 25.

68 [1997] RPC 1 at 51-52.

69 [1997] RPC 1 at 52.

70 *Biogen Inc v Medeva plc* [1997] RPC 1 at 54.

requirement of sufficiency was therefore regarded as serving a narrower purpose. But the disappearance of 'lack of fair basis' as an express ground for revocation does not in my view mean that [the] general principle which it expressed has been abandoned. The jurisprudence of the [European Patent Office] shows that it is still in full vigour and embodied in articles 83 and 84 of the [European Patent Convention], of which the equivalents in the 1977 [UK] Act are section 14(3) and (5) and section 72(1)(c)."

66 Section 72(1)(c) provides that a patent may be revoked on the ground that "the specification of the patent does not disclose the invention clearly enough and completely enough for it to be performed by a person skilled in the art". It and its corresponding provision creating a positive duty of disclosure, s 14(3), do not resemble the Australian fair basing requirement in s 40(3) of the Act, but are closer to s 40(2)(a) creating a duty to describe the invention fully. Further, Australia is not party to the European Patent Convention. The courts of Australia are not bound by what the European Patent Office says, and do not regard it as "jurisprudence". The language of the 1949 UK Act⁷¹ continues to be reflected in Australia in s 40(3) of the Act. Lord Hoffmann's reasoning suggests that in the United Kingdom the fair basing test has gone, rather than that it has survived.

67 The inapplicability in Australia of the reasoning in *Biogen* is heightened by the fact that Lord Hoffmann applied the words "mechanistic and impoverished", not to the patentee's argument under consideration, but to a "general rule of European patent law that an invention was sufficiently disclosed if the skilled man could make a single embodiment."⁷² That happens also to be the rule recognised in this Court's construction of s 40(2)(a) in *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd*⁷³. This criticism of an important aspect of Australian law, as reflected in s 40(2)(a) of the Act, suggests that current United Kingdom law is no guide to Australian law on s 40(3). (The

71 Section 4(4) provided:

"The claim or claims of a complete specification must relate to a single invention, must be clear and succinct, and must be fairly based on the matter disclosed in the specification."

72 *Biogen Inc v Medeva plc* [1997] RPC 1 at 48.

73 (2001) 207 CLR 1 at 16-17 [25].

same is true of the treatment in *Biogen*⁷⁴ of obviousness⁷⁵.) Doric was frank enough to boil the House of Lords' reasoning down to the following Voltairean aphorism: "Since the fair basis doctrine no longer exists, it is necessary to invent it." That is not an approach open to this Court.

The approach required by s 40(3)

68 *Erroneous principles.* The comparison which s 40(3) calls for is not analogous to that between a claim and an alleged anticipation or infringement. It is wrong to employ "an over meticulous verbal analysis"⁷⁶. It is wrong to seek to isolate in the body of the specification "essential integers" or "essential features" of an alleged invention and to ask whether they correspond with the essential integers of the claim in question⁷⁷.

69 "*Real and reasonably clear disclosure*". Section 40(3) requires, in Fullagar J's words, "a real and reasonably clear disclosure."⁷⁸ But those words, when used in connection with s 40(3), do not limit disclosures to preferred embodiments.

"The circumstance that something is a requirement for the best method of performing an invention does not make it necessarily a requirement for all claims; likewise, the circumstance that material is part of the description of the invention does not mean that it must be included as an integer of

74 [1997] RPC 1 at 45.

75 *Aktiebolaget Hässle v Alphapharm Pty Ltd* (2002) 212 CLR 411 at 429 [40], 431-432 [48]-[49] per Gleeson CJ, Gaudron, Gummow and Hayne JJ.

76 *CCOM Pty Ltd v Jiejing Pty Ltd* (1994) 51 FCR 260 at 281 per Spender, Gummow and Heerey JJ.

77 *CCOM Pty Ltd v Jiejing Pty Ltd* (1994) 51 FCR 260 at 281 per Spender, Gummow and Heerey JJ.

78 The expression was used by Fullagar J in *Société des Usines Chimiques Rhône-Poulenc v Commissioner of Patents* (1958) 100 CLR 5 at 11 in relation to s 45(5) of the 1952 Act, which required that a claim in a specification lodged under the 1952 Act be "fairly based on matter disclosed" in a specification lodged under the 1903 Act. The expression has been applied to s 40(3): *CCOM Pty Ltd v Jiejing Pty Ltd* (1994) 51 FCR 260 at 281-282 per Spender, Gummow and Heerey JJ.

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each claim. Rather, the question is whether there is a real and reasonably clear disclosure in the body of the specification of what is then claimed, so that the alleged invention as claimed is broadly, that is to say in a general sense, described in the body of the specification."⁷⁹

Fullagar J's phrase serves the function of compelling attention to the construction of the specification as a whole, putting aside particular parts which, although in isolation they might appear to point against the "real" disclosure, are in truth only loose or stray remarks.

The reasoning of the courts below

70 *Conflation of obviousness and s 40(2)(a) with fair basing.* The reasoning of the trial judge is of some importance to Doric, because no judge in the Full Court specifically adopted the trial judge's reasoning, and Doric, while not actually conceding that the reasoning in the Full Court was wrong, said it did not wish "to take too much time" defending it, defended it with very little relish and conceded that its primary approach was not to be found there. But some of the difficulties in the Full Court's reasoning are also present in that of the trial judge. One difficulty was an apparent conflation of the issue of fair basing with the issue of insufficiency of description or the issue of obviousness. The best Doric could do was to deny that in the courts below there was, despite appearances, any conflation of that kind, but to concede that if the conflation had taken place, the reasoning was unsustainable. The denial fails and the concession is sound. However, there are additional difficulties in the reasoning.

71 *Wilcox J.* In a section of his reasons headed "Discussion about fair basis, insufficiency and obviousness", Wilcox J expressed agreement with the trial judge's conclusions on fair basing⁸⁰. He then discussed obviousness in a fashion critical of the trial judge, but later said that it was not necessary to express any final conclusion about obviousness, nor to express a view on sufficiency of description. At the start of that section of his reasons, he said that there was a common fundamental question affecting the three issues referred to in the

79 *Rehm Pty Ltd v Websters Security Systems (International) Pty Ltd* (1988) 81 ALR 79 at 95 per Gummow J.

80 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 495-497 [69]-[77].

heading: "what, exactly, was the invention the subject of the patent?"⁸¹ That is true, in the sense that once that question is answered, it becomes possible to consider whether the invention is fully described, whether the claims are fairly based on it, and whether it is obvious. But the question must precede, rather than accompany or follow, any resolution of those three issues. The correct way of answering the question is to examine the body of the specification in order to see what it describes as the invention. This Wilcox J did not immediately do. Instead of discussing the issue of "invention" – part of the s 40(3) question – he discussed the issue of "inventive step" which relates to the s 18(1)(b)(ii) question of what a skilled but non-inventive worker would have seen as obvious in the light of common general knowledge. His Honour said that at the trial the Patentee had adopted an inconsistent case about what the invention was. Whether or not that is so, Wilcox J then observed that, as in this Court, the Patentee "took the unequivocal position that the inventive step was the addition of the widely-expressed sixth integer." He then said⁸²:

"However, it can hardly be an inventive step simply to say that the solution to the problem of the inside lock not being responsive to an outside actuator is to make it so. That tells the addressee nothing ...

If, contrary to my opinion, the addition of the widely-expressed sixth integer was thought to be an inventive step, [the Patentee] would face a serious difficulty in relation to obviousness".

72

In assessing whether the invention claimed by a patentee is fully described or fairly based, it is necessary to take into account, apart from common general knowledge so far as it casts light on questions of construction, only what is said about it in the specification, independently of whether it is a "patentable invention", and, in particular, independently of whether it is a patentable invention on the ground that it is not obvious. The first and third of the three sentences quoted in the above passage centre on "inventive step" – a s 18(1)(b)(ii) but not a s 40(3) issue. The second, as Doric conceded in argument, appears to make a different point about whether the invention is fully described for s 40(2)(a) purposes. No part of this passage explains why the claims are not fairly based on the invention claimed in the consistory clause.

81 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 495 [69].

82 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 496 [72]-[73].

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Any force in the points made is immaterial to the fair basing question. For the reasons given above, the various grounds of invalidity ought to have been kept distinct⁸³.

73 *Branson J.* Her Honour reasoned thus⁸⁴:

"[T]he invention as the [Patentee] seeks to define it is merely an idea; it is not a 'patentable invention' within the meaning of s 18(1) of [the Act]. It is probably not important whether the concept of an outside key which automatically releases the lock is said not to be a manner of manufacture within the meaning of s 6 of the Statute of Monopolies, or as [Doric] contended, not to involve an inventive step, or as the primary judge found, too broad to provide a fair basis for the claims of the specification which must relate to one invention only (s 40 of the Act). The important thing is that one cannot patent an idea or a mere principle."

To the contrary, it is important whether it is s 18(1)(a), or s 18(1)(b)(ii), or s 40(3) that applies. This is partly so because the Particulars of Objection contain nothing about s 18(1)(a), or the patenting of an idea or mere principle, and Doric conceded that it did not put the case that way. It is also because none of these complaints is identical with or overlaps with the others: they are conceptually distinct, as Doric also conceded.

74 *Merkel J.* Merkel J's reasoning depended on a distinction between the invention claimed by the Patentee and its "merit", or what it "really disclosed". He said⁸⁵:

"As latch assemblies commonly have features (i)-(v), ... the practical effect of claim 1 is a claim of a monopoly in respect of latch assemblies with those features and the additional feature (vi) of an outside actuator that renders the locking means inactive. The '*merit*' of the invention disclosed in the specification, and the 'real and reasonably clear' disclosure of the invention, concerns the manner in which an outside

83 See [43]-[49] above.

84 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 498 [86].

85 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 502-503 [100] and [102].

actuator can achieve the object of providing a key controlled latch which can be released from the locked position by the outside actuator. But claim 1 does not claim protection for that invention. Rather, it claims protection for a standard latch assembly which has a 'lock release means' constituted by 'something which causes an operation to occur' from the outer side of the latch assembly, which renders the 'locking means inactive'. But the invention really disclosed in the specification is the manner in which the lock release means has been achieved.

...

Claim 1 is wide enough to embrace any form of lock release means operable by an actuator on the outer side of the latch assembly, notwithstanding that that type of lock release means was not invented by the patentee and so does not use the patentee's *inventive steps* disclosed in the specification, being the lock release means described in [the passage describing a preferred embodiment after the consistory clause as quoted above⁸⁶]." (Emphasis added.)

75 The expression "merit" is derived from Lord Macmillan's speech in *Mullard's Case*⁸⁷. But, as discussed above⁸⁸, "merit" plays no role in the statutory test, and Lord Macmillan's approach is no guide to the meaning of s 40(3). It follows that the test applied by Merkel J was incorrect.

76 Further, the distinction drawn between those forms of lock release that were "invented" by the Patentee and those that were not has several difficulties.

77 First, the distinction fails to apply the correct test, which calls for a comparison of the claim or claims with the matter described in the specification – not just with a preferred embodiment.

78 Secondly, the distinction reveals a confusion between the question "What is the invention here?" – the answer to which is "A new combination of integers including integer (vi)" – and the question whether each integer was an invention or an inventive step (the passage uses both expressions). Claim 1 does not claim

86 See [11].

87 (1936) 53 RPC 323 at 347.

88 See [50]-[57].

a monopoly in any integer by itself. Paragraph (ii) of s 18(1)(b), applied to the patent in suit, requires that the combination claimed in claim 1 involve an inventive step, not that each or any integer involve an inventive step. It is only necessary that each integer form part of a full description of the invention (s 40(2)(a)), and that in their totality in any given claim they be described clearly and succinctly and be fairly based (s 40(3)). All the integers were either conceded or found to be part of a full description and to be clear and succinct. The inventiveness of particular integers is irrelevant, both to the inventiveness of a combination of them and to whether there is fair basing.

79 Thirdly, the distinction also contradicts (without any reasoning, as Doric accepted) the trial judge's conclusion that the specification taught that a "lock release means" may take "any suitable form"⁸⁹ and that, on the evidence, and having regard to common general knowledge in the field at the priority date, the invention was not obvious and involved an inventive step⁹⁰.

80 *The trial judge.* The reasoning of the trial judge was as follows⁹¹. The trial judge, having repeated the statement of principle by Barwick CJ in *Olin*⁹², recorded Doric's submission that claim 1 travelled beyond the matter disclosed in the specification, because while the Patentee had come up with a particular device – the preferred embodiment – which solved the problem identified in the Patent, the Patent went further and claimed all ways of solving that problem. He then recorded the Patentee's submission that "the words in the specification match the words of the claim, hence the claims are necessarily 'fairly based' on the specification." He said⁹³:

89 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 316 [39].

90 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 343 [211]-[212].

91 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 346-348 [231]-[236].

92 (1977) 180 CLR 236 at 240.

93 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 347 [234].

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"This is too narrow an approach to the question. The notion of 'travels beyond' requires consideration of what is truly disclosed by the specification in terms of a 'real and reasonably clear' disclosure."

The word "truly" has its source in *Atlantis Corporation Pty Ltd v Schindler*⁹⁴. The trial judge continued:

"That this is so is recognised by the decision of the Full Court [in that case] where claim 1 was couched in the same terms as the description of the invention in the specification. But the court did not allow that coincidence of language 'to disguise the fact' that the invention disclosed in the body of the specification 'is truly' one which was subject to limitations as to use. The claims, however, were to pure apparatus claims, not subject to any limitations as to use. The claims therefore travelled beyond, and were found to be not fairly based on the matter described in the specification. Hence claim 1, and all other claims since they were dependent on it, were held to be invalid."

81 The trial judge then adopted from English cases⁹⁵ the expression "technical contribution to the art". He continued⁹⁶:

"The structure of the specification in the present case refers to a known problem in relation to typical latch assemblies: key operation of the latch from the outside of the door does not release the inner handle, and as a result people may be locked in. The technical contribution to the art ... is the disclosure that the solution to the problem is the use of the outside lock to release the lock on the inside handle, coupled with the disclosure of one way of doing that in terms of the preferred embodiment.

Doric submits that the technical contribution made by the patentee, other than the preferred embodiment, is obvious, but I have declined to uphold that submission because of the evidentiary factors to which I have

94 (1997) 39 IPR 29.

95 *Biogen Inc v Medeva plc* [1997] RPC 1 at 54 per Lord Hoffmann (Lords Goff of Chieveley, Browne-Wilkinson, Mustill and Slynn of Hadley concurring); *Raychem Corp's Patents* [1998] RPC 31 at 41-42 per Laddie J.

96 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 347-348 [235]-[236].

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earlier referred. However, the fair basis objection overlaps with other grounds of invalidity, including obviousness: see Blanco White, *Patents For Inventions* [, 5th ed (1983) at §4-801]. I agree with [Doric's] submissions that the specification does not contain a real and reasonably clear disclosure of matters broader than the particular embodiment. Yet the patent claims a latch assembly which contains [lock release means] (which may take any suitable form) which is responsive to the operation of the second actuator so as to render the locking means inactive, no matter what means or mechanism is employed to achieve that result. It follows that claims 1–6 are not fairly based upon the specification."

82 In oral submissions to this Court, counsel for Doric found the first two sentences of the last paragraph something of an embarrassment and was not able to say what the point of including them was unless they related to the next two sentences. If they do, the Full Court's confusion between issues of obviousness and fair basing would appear to exist here as well. That is also suggested by the fact that in one of the English cases⁹⁷ from which the expression "technical contribution to the art" is derived, it appears under the heading "Claims to known or obvious desiderata" and precedes a discussion of invalidity on grounds of obviousness. But putting those first two sentences aside, the following difficulties remain.

83 The first is that the statutory test as expounded by Barwick CJ does not call for any evaluation of whether the breadth of the claims exceeds "the technical contribution to the art embodied in the invention", merely for an evaluation of whether the claims travel beyond the matter described in the specification.

84 The second is that in the passages quoted above, the trial judge defined the invention relatively narrowly as "the use of the outside lock to release the lock on the inside handle, coupled with the disclosure of one way of doing that". That is contradicted by other passages⁹⁸ in which the trial judge accepted that the invention was as described in the consistory clause set out in the specification – a "lock release means which is responsive to operation of the second actuator to render the locking means inactive."

97 *Raychem Corp's Patents* [1998] RPC 31 at 41-42 per Laddie J.

98 *Doric Products Pty Ltd v Lockwood Security Products Pty Ltd* (2001) 192 ALR 306 at 311 [13]-[14] and [17], 316-317 [39], 349 [241] and 350 [247].

85 The third is that the use of the word "real" suggests that the trial judge was applying a test which looked beyond the description of the invention as it appeared in the specification for some preferred embodiment of, or some optimal method of performing, the invention.

86 Fourthly, the trial judge relied on the proposition, seemingly asserted by Blanco White, that the fair basing objection overlaps with obviousness, which was criticised above⁹⁹.

87 Finally, it is necessary to consider the trial judge's citation of *Atlantis Corporation Pty Ltd v Schindler*¹⁰⁰ for the proposition that to couch a claim "in the same terms as the description of the invention in the specification" did not of itself, by that mere "coincidence of language", establish fair basing. That proposition is correct, but it is not fatal to the Patentee's position in this case. A "coincidence of language" between a claim and part of the body of a specification does not establish fair basing if that part of the language of the specification does not reflect the description of the invention in the light of the specification as a whole. In the *Atlantis Case*, the specification, read as a whole, described an apparatus limited to a particular use as a sub-soil drainage system. The claims, however, were "pure apparatus" claims without that limitation on use. The Full Court of the Federal Court of Australia refused to construe them narrowly so as to conform with the description in the specification. A statement in the specification of a description of the invention in similar language to the first claim was not treated as the description of the invention. While the Full Court did not engage in close textual analysis, it did distinctly hold that the statement in the specification¹⁰¹:

"should not be allowed to disguise the fact that the invention disclosed in the body of the specification is truly 'a sub-soil drainage method based on a particular apparatus' or 'a particular apparatus in its application to sub-soil drainage'. The claims, however, are 'pure apparatus claims'. They are

99 At [47]-[48].

100 (1997) 39 IPR 29.

101 *Atlantis Corporation Pty Ltd v Schindler* (1997) 39 IPR 29 at 50 per Wilcox and Lindgren JJ. Lockhart J also held that the patent did not satisfy s 40(2)(b): at 36.

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not subject to any limitation as to use. They travel beyond, and are not fairly based on, the matter described in the specification."

In short, the case is distinguishable. Here, the Patentee does not rely on mere "coincidence of language": it contends that the language used, unlike that employed in the *Atlantis Case*, does describe the invention.

Doric's submissions considered: statutory construction

88 Perhaps in recognition of its difficulty in supporting that reasoning at both levels in the Federal Court, Doric sought to outflank it by advancing two groups of further submissions. One group related to matters of statutory construction, the other to cases on the legislation.

89 Doric submitted that the expression "fairly based" is a composite expression, not calling for any separate inquiry into "fairness" and "basis". The expression required that the claim must fairly reflect what the specification teaches or describes to the addressee. It required a "qualitative" comparison between the claim and the matter described (ie the matter describing the invention fully pursuant to s 40(2)(a)). The matter to be described is "[t]he embodiment ... around which the claims are drawn."¹⁰² The claim should not be "wider than warranted by the disclosure made in the body of the specification."¹⁰³ This "qualitative" comparison was, it was repeatedly said, a "matter of substance". These contentions were said to be supported by the history of fair basing before it became expressed as a statutory test in the 1949 UK Act and the 1952 Act¹⁰⁴: but it must be said that no part of the identified history suggested any particular solution to the present problem.

90 The essential difficulty with these arguments is that they never made it plain what quality was being sought or used as the basis of comparison. They tended towards circularity: it is not helpful to say that in making a qualitative comparison for the purposes of fair basing, the relevant quality is fairness. They

102 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 15 [21].

103 *CCOM Pty Ltd v Jiejing Pty Ltd* (1994) 51 FCR 260 at 276 per Spender, Gummow and Heerey JJ.

104 See McBratney, "The Problem Child in Australian Patent Law: 'Fair' Basing", (2001) 12 *Australian Intellectual Property Journal* 211.

contended that the quality was "fairness" in the sense of what was "reasonable" or "warranted" or "commensurate", but these expressions take the inquiry no further. The arguments asserted that the measure of fairness or reasonableness was that the claim must not travel beyond the disclosure, but this begs the question of what the disclosure was. Nor were the arguments advanced by the insistence that the matter was one of substance, not form.

91 Doric contended that if its arguments were rejected and the consistory clause on which the Patentee relied was sufficient to provide a fair basis, s 40(3) could be satisfied in every case by an assertion of the kind it contained. That is not so. Section 40(3) would only be satisfied if the specification read as a whole corresponded with the consistory clause; it cannot be satisfied by mere assertion in a consistory clause.

92 Doric argued that what was called above the "consistory clause" was not a true consistory clause, because it did not commence with the words "What I claim is". It argued that consistory clauses date from a time before the *Patents, Designs, and Trade Marks Act 1883* (UK), s 5(5), which for the first time made it compulsory to list the claims separately. Consistory clauses continued after that time, even though they were no longer necessary. Doric submitted that to contend that integer (vi) of claim 1 was fairly based on the consistory clause was "purely circular", since the consistory clause was only a hangover from the time when it performed the function of the modern claim. That contention might have force if nothing else in the specification supported the consistory clause. But Doric conceded that the consistory clause was not itself impermissible. The consistory clause is supported by those parts of the specification describing features that "generally" or "preferably" exist, and which, while explaining the invention in detail by reference to the drawings, stress several times that the drawings are merely illustrative of how the invention might be put into effect, not exhaustive.

93 Further, there are examples of cases in which courts have refused to construe the specification as disclosing an invention limited to the preferred embodiment because of statements that it is not so limited, and have treated the consistory clause as disclosing the invention¹⁰⁵. Indeed, the employment of

105 *Rehm Pty Ltd v Websters Security Systems (International) Pty Ltd* (1988) 81 ALR 79 at 94-95 per Gummow J; *Gambro Pty Ltd v Fresenius Medical Care South East Asia Pty Ltd* (2000) 49 IPR 321 at 328-329 [33]-[36] per Burchett, Heerey and Lehane JJ.

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consistory clauses "co-extensive with or equivalent to the widest claim" was said by Blanco White in 1955, after the precursors to s 40(3) of the Act had come onto the statute book, to be usual¹⁰⁶. This was referred to without disapproval by Dixon CJ, Kitto and Windeyer JJ, who also said that in a modern specification, after a statement of the objects of the invention, "one might expect to find a general description of what the inventor asserts his invention consists of, commonly called a 'consistory clause'. This, however, is not an essential part of the body of a specification."¹⁰⁷

Doric's submissions considered: authorities

94 The second category of Doric's arguments depended on authority.

95 First, Doric submitted that its case was supported by *Biogen Inc v Medeva plc*¹⁰⁸. It submitted that since there was sufficient description under s 40(2)(a) if the disclosure enabled the addressee to produce one thing within each claim, it was necessary to have "a robust law of fair basis". Counsel for Doric continued: "If you only have to enable something within the claim and that is all the consideration you give, then how can it be fair to claim every possible way of achieving that result?" However, the introduction of the type of fair basing achieved in *Biogen Inc v Medeva plc* is impermissible in Australia for the reasons given above¹⁰⁹. Further, the word "fair" in that submission is used in a wholly different sense from the word "fairly" in s 40(3). The words "fairly based" refer to a relationship between what is claimed in the claims and what is described in the body of the specification. They do not refer to abstract fairness.

96 Secondly, Doric relied on *Mullard Radio Valve Co Ltd v Philco Radio and Television Corporation of Great Britain Ltd*¹¹⁰ and *Palmer v Dunlop Perdriau*

¹⁰⁶ *Patents For Inventions*, 2nd ed (1955) at 37 n 36.

¹⁰⁷ *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 612.

¹⁰⁸ [1997] RPC 1.

¹⁰⁹ At [63]-[67].

¹¹⁰ (1936) 53 RPC 323.

*Rubber Co Ltd*¹¹¹. These authorities are not of assistance because they antedate the precursors of s 40(3) and for other reasons given above¹¹².

97 Thirdly, Doric relied on some more modern cases. But, on analysis, these favour the Patentee rather than Doric.

98 One was *Olin Corporation v Super Cartridge Co Pty Ltd*¹¹³. The invention related to a process for the manufacture of reusable plastic shotgun cartridge cases. The process had two key elements – the use of compressive deformation (as opposed to tensile deformation) and the carrying out of the process at particular low temperatures. Some of the claims were limited by reference to both elements. Some, claims 10-13, were not, since they did not refer to compressive deformation. Jacobs J therefore held that those claims were not fairly based on the two key elements disclosed in the specification¹¹⁴, and his decision on this point was upheld on appeal¹¹⁵. That conclusion did not depend, however, on the fact that the specification set out "aspects of the invention in much the same language as that of the subsequent claims"¹¹⁶. It depended on the body of the specification being construed as a whole to reach the conclusion that the invention had the two elements of compressive deformation at low temperatures, and the passages omitting compressive deformation as being loose or stray in nature, and not a decisive guide to the construction of the whole.

99 Doric submitted that *Olin* decided that a claim based on a consistory clause cannot be fairly based. It did not. Rather, as the Patentee submitted, the correct position is that a claim based on what has been cast in the form of a consistory clause is not fairly based if other parts of the matter in the specification show that the invention is narrower than that consistory clause. The inquiry is into what the body of the specification read as a whole discloses as the

111 (1937) 59 CLR 30.

112 At [55]-[62].

113 (1975) 49 ALJR 135 (Jacobs J); (1977) 180 CLR 236 (FC).

114 *Olin Corporation v Super Cartridge Co Pty Ltd* (1975) 49 ALJR 135 at 146.

115 *Olin Corporation v Super Cartridge Co Pty Ltd* (1977) 180 CLR 236 at 250-251 per Gibbs J, 263-264 per Stephen and Mason JJ. Barwick CJ dissented at 242.

116 *Olin Corporation v Super Cartridge Co Pty Ltd* (1975) 49 ALJR 135 at 141.

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invention¹¹⁷. An assertion by the inventor in a consistory clause of that of which the invention consists does not compel the conclusion by the court that the claims are fairly based nor is the assertion determinative of the identity of the invention. The consistory clause is to be considered by the court with the rest of the specification.

100 These points are reflected in the statements in an Australian text¹¹⁸:

"Claims found to be inconsistent with the general description of the invention may be invalid as being not fairly based on the matter described in the specification. In order to avoid this possibility a well drawn specification will usually include in the body of the specification one or more formal 'consistory statements' setting forth what the patentee considers to be the scope of the invention, such statements often quoting the exact wording of the broadest claims in the specifications. ... Such statements will generally follow an introductory portion of the specification, which may describe the technical field of the invention and the problems with the prior art which are to be addressed by the invention. It is important that the introductory part of the specification be worded so as to be consistent with the scope of the invention as defined in the claims and any formal consistory statements.

A statement implying that the invention has a limited field of application or requires as an essential feature something which is not required by the claims may result in a finding that the claims are wider than the invention disclosed in the specification, and are accordingly invalid for lack of fair basis on the matter described in the specification."

101 Doric's reliance on the decision of the Full Federal Court in *Atlantis Corporation Pty Ltd v Schindler*¹¹⁹ also was misplaced. The invention in that case was said in its title to relate to the provision of adequate drainage by artificial means with particular application to landscape gardening. The consistory clause described a particular apparatus but went on immediately to state that the invention taught a method of providing drainage utilising that

117 *Welch Perrin & Co Pty Ltd v Worrel* (1961) 106 CLR 588 at 612-613.

118 Lahore, *Patents, Trade Marks and Related Rights*, (2001), vol 1 at §15,345 (footnote omitted).

119 (1997) 39 IPR 29: see [87] above.

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apparatus. Claim 1 claimed the apparatus but with no limitation to its use for the purpose of drainage. Claim 1 was held to be unambiguous, not to be construed with such a limitation respecting drainage (as the primary judge McLelland CJ in Eq had construed it¹²⁰) and so to be not fairly based.

102 Although Doric did not explicitly request this Court to change settled principles in Australia respecting fair basing, it advanced arguments which could only be accepted if the law were changed. Thus its reliance on *Biogen Inc v Medeva plc*¹²¹ was an implicit invitation to adopt for s 40(3) the United Kingdom construction of a different provision.

103 Doric contended, in effect, that success for the Patentee would be in various ways objectively "unfair", and hence that the claims were not "fairly based". But the kinds of unfairness it complained of, if remediable at all, had to be remedied under other heads of invalidity. If they could not be remedied under those heads, their "unfairness" did not mean that the claims were not "fairly based" on the matter described, and to hold otherwise would radically change the law. One source of these unfairnesses was said to be the fact that s 40(2)(a), on the construction given by this Court in *Kimberly-Clark*, is complied with if the complete specification enables the addressee to produce something within each claim without new inventions or additions or prolonged study of matters presenting initial difficulty¹²²: but Doric, whilst willing to attempt to sap life from *Kimberly-Clark*, prudently eschewed any attack upon that binding authority.

104 For the above reasons the appeal must be allowed.

120 *Atlantis Corporation Pty Ltd v Schindler* (1995) 33 IPR 91 at 98. McLelland CJ in Eq had held that ambiguity or lack of clarity in a claim whilst not appearing from the words of the claim considered in isolation may become apparent from the body of the specification. It is unnecessary to consider that aspect of *Atlantis*; cf *Interlego AG v Toltoys Pty Ltd* (1973) 130 CLR 461 at 478-479 per Barwick CJ and Mason J.

121 [1997] RPC 1.

122 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 17 [25].

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Gummow J
Hayne J
Heydon J

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Orders

105 This Court has recently discussed the difficulties that arise when judges in an intermediate court of appeal do not decide particular questions which, on their reasoning, it is not necessary to decide, but which, when that reasoning is rejected on appeal, it becomes necessary to decide¹²³. The difficulties are accentuated by the fact that here to some extent the Full Court offered opinions which were critical of the trial judge about one of the questions it put aside, namely obviousness, even though those opinions were said not to be "final"¹²⁴. The Patentee submitted that a question arose "as to the appearance of the fairness of the matter being remitted to a Full Court of the same composition." Doric submitted that this question could not arise. It does arise, but it is better that it be resolved in the Federal Court than in this Court.

106 The following orders should be made:

UPON the appellant by its counsel undertaking to the Court in writing forthwith to proffer to the Federal Court, for the period of the continuation of the stay provided in order 5 of these orders, the following undertakings:

- (a) to prosecute the proceedings in the Federal Court expeditiously;
- (b) forthwith to serve on the Commissioner of Patents a copy of this order with a request that particulars of this order be registered in accordance with s 187 of the *Patents Act* 1990 (Cth);
- (c) not to threaten any person with proceedings for infringement of claims 1-32 of Patent No 702534 ("the Patent");
- (d) not to seek to amend any claims of the Patent otherwise than in the course of or in connection with the proceedings in the Federal Court;

123 *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd* (2001) 207 CLR 1 at 19-20 [34]-[35]; *Aktiebolaget Hässle v Alphapharm Pty Ltd* (2002) 212 CLR 411 at 420-421 [12], 444 [82].

124 *Lockwood Security Products Pty Ltd v Doric Products Pty Ltd* (2003) 56 IPR 479 at 496-497 [73]-[76] per Wilcox J, with whom Branson J was in broad agreement.

43.

THE COURT ORDERS THAT

- (1) The appeal is allowed with costs.
- (2) Orders 1 and 2 made by the Full Court of the Federal Court of Australia on 7 March 2003 are set aside.
- (3) It is declared that claims 1-32 of the Patent are fairly based on matters described in the complete specification.
- (4) The matter is remitted to a Full Court of the Federal Court for determination of the remaining issues on the appeal to that Court and to make such further orders as are necessary and appropriate, including orders disposing of the costs of the appeal to that Court and the proceedings before Hely J and disposing of any application to amend the Patent.
- (5) The stay the subject of the orders of the Court made on 27 March 2003 and 23 December 2003 continue until the determination of the proceedings remitted to the Full Court of the Federal Court or further order of the Federal Court.